companies, financial institutions and intermediaries will report such suspicious transactions to the FIU-IND.

**Darjeeling as a tax-free area**

†232. SHRI SAMAN PATHAK: Will the Minister of FINANCE be pleased to state:

(a) the details of tax-free areas in the country, State-wise;

(b) whether Government are considering to declare Darjeeling as a "tax-free area" for a short period; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Income-tax Act provides tax holidays and concessions to industrial undertakings set up in the State of Jammu and Kashmir, Uttaranchal, Himachal Pradesh, Sikkim and the North-eastern States. Similarly, exemption from Central Excise duty is also available in all these States and the Kutch district of Gujarat. However, these exemptions are subject to certain conditions.

(b) No Sir.

(c) Area based tax exemptions are inefficient, iniquitous, lead to revenue loss and breed corruption. Such tax exemptions are poor substitutes for fundamental reforms. Therefore, Government is not in favour of proliferating such area based tax exemptions

**Continuing rise in inflation**

†233. SHRI KESHUBAI S. PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that inflation continue to rise in the country;

(b) whether Government are contemplating stringent measures to curb it;

(c) if so, by what time and, until when; and

(d) if not, reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. The inflation has decelerated during the current financial year, the details of monthly inflation is indicated in the Table 1.

*Table 1. WPI based Month wise annual inflation (%)*

| Month | 2007-08 |
|---|---|
| Apr. | 6.28 |
| May. | 5.46 |
| Jun. | 4.53 |
| Jul. | 4.71 |
| Aug. | 4.14 |
| Sep. | 3.32 |
| Oct. | 3.02 |

†Original notice of the question was received in Hindi.